

Unaudited interim condensed  
consolidated financial statements

**Public Joint Stock Company**  
**“Vimpel-Communications”**

as of 30 September 2021 and  
for the three and nine months ended 30 September 2021

# Public Joint Stock Company “Vimpel-Communications”

## Unaudited interim condensed consolidated financial statements as of 30 September 2021 and for the three and nine months ended 30 September 2021

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## Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders and Board of Directors of Public Joint Stock Company "Vimpel-Communications":

### Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Public Joint Stock Company "Vimpel-Communications" and its subsidiaries (together – the "VimpelCom") as at 30 September 2021 and the related interim consolidated income statements and statements of comprehensive income for the three and nine-month periods then ended, changes in equity and cash flows for the nine-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

*AO PricewaterhouseCoopers Audit*

15 November 2021  
Moscow, Russian Federation

A.A. Karlovski, certified auditor (licence No. 01-000399), AO PricewaterhouseCoopers Audit

Audited entity: Public Joint Stock Company Vimpel-Communications

Record made in the Unified State Register of Legal Entities  
on 28 August 2002 under State Registration Number 1027700166636

Taxpayer Identification Number 7713076301

10 bld 14 8th Marta, Moscow, Russian Federation, 127083

Independent auditor: AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber  
on 28 February 1992 under No. 008.890

Record made in the Unified State Register of Legal Entities  
on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705051102

Member of Self-regulatory organization of auditors Association  
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Principal Registration Number of the Record in the Register of Auditors  
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Public Joint Stock Company “Vimpel-Communications”

Interim consolidated income statement  
for the three and nine months ended 30 September 2021  
(All amounts in millions of Rubles)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2021 (unaudited)	2020 <sup>1</sup> (unaudited)	2021 (unaudited)	2020 <sup>1</sup> (unaudited)
<b>Continuing operations</b>					
Service revenue		75,388	72,091	217,649	213,169
Sale of equipment and accessories		10,606	7,656	25,423	18,278
Other revenue		300	353	1,009	1,011
<b>Total operating revenue</b>	2	<b>86,294</b>	80,100	<b>244,081</b>	232,458
Other operating income		29	104	102	232
Service costs		(19,588)	(19,285)	(57,810)	(54,568)
Cost of equipment and accessories		(9,975)	(6,998)	(24,388)	(17,748)
Selling, general and administrative expenses (including impairment loss on financial assets)	3	(23,725)	(21,797)	(68,788)	(68,916)
Depreciation	8	(18,569)	(17,530)	(55,142)	(52,410)
Amortization	9	(2,549)	(2,948)	(7,653)	(8,723)
Reversal of impairment loss / impairment (loss)		53	(10,479)	(58)	(10,411)
Loss on disposal of non-current assets		(87)	(171)	(574)	(651)
<b>Operating profit</b>		<b>11,883</b>	996	<b>29,770</b>	19,263
Finance costs		(5,273)	(5,439)	(15,857)	(18,520)
Finance income		553	313	1,465	2,059
Foreign exchange gain / (loss), net		31	(3,171)	641	(8,728)
Other non-operating gain, net	4	413	157	439	1,857
<b>Profit / (loss) before income tax from continuing operations</b>		<b>7,607</b>	(7,144)	<b>16,458</b>	(4,069)
Income tax expense	5	(1,481)	(377)	(4,430)	(2,714)
<b>Profit / (loss) for the period from continuing operations</b>		<b>6,126</b>	(7,521)	<b>12,028</b>	(6,783)
<b>Profit / (loss) after tax for the period from discontinued operations</b>	10	<b>873</b>	(566)	<b>3,630</b>	759
<b>Profit / (loss) for the period</b>		<b>6,999</b>	(8,087)	<b>15,658</b>	(6,024)
<b>Profit / (loss) for the period attributable to:</b>					
The owners of the Company (continuing operations)		5,553	(4,953)	9,289	(3,245)
The owners of the Company (discontinued operations)	10	873	(566)	3,630	759
Non-controlling interests		573	(2,568)	2,739	(3,538)
		<b>6,999</b>	(8,087)	<b>15,658</b>	(6,024)

<sup>1</sup> Prior year comparatives are re-presented following the classification of Uzbekistan as discontinued operations (Note 10).

Public Joint Stock Company “Vimpel-Communications”

Interim consolidated statement of comprehensive income  
for the three and nine months ended 30 September 2021

(All amounts in millions of Rubles)

	Three months ended 30 September		Nine months ended 30 September	
	2021 (unaudited)	2020 <sup>1</sup> (unaudited)	2021 (unaudited)	2020 <sup>1</sup> (unaudited)
<b>Profit / (loss) for the period</b>	<b>6,999</b>	<b>(8,087)</b>	<b>15,658</b>	<b>(6,024)</b>
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation reserve arising on exchange differences on translation of foreign operations of continuing operations	362	4,090	(943)	6,047
Foreign currency translation reserve arising on exchange differences on translation of foreign operations of discontinued operations	(82)	1,384	(299)	2,047
<b>Other comprehensive (loss) / income for the period</b>	<b>280</b>	<b>5,474</b>	<b>(1,242)</b>	<b>8,094</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>7,279</b>	<b>(2,613)</b>	<b>14,416</b>	<b>2,070</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>				
The owners of the Company	6,305	(1,161)	11,937	4,420
Non-controlling interests	974	(1,452)	2,479	(2,350)
	<b>7,279</b>	<b>(2,613)</b>	<b>14,416</b>	<b>2,070</b>
<b>Total comprehensive income / (loss) for the period attributable to the owners of the Company arises from:</b>				
Continuing operations	5,514	(3,304)	8,606	1,614
Discontinued operations	791	2,143	3,331	2,806
	<b>6,305</b>	<b>(1,161)</b>	<b>11,937</b>	<b>4,420</b>

<sup>1</sup> Prior year comparatives are re-presented following the classification of Uzbekistan as discontinued operations (Note 10).

Public Joint Stock Company “Vimpel-Communications”

Interim consolidated statement of financial position  
as of 30 September 2021  
(All amounts in millions of Rubles)

		30 September 2021	31 December 2020
	Note	(unaudited)	
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	8	298,177	298,938
Intangible assets	9	97,100	115,774
Deferred income tax assets		1,349	817
Loans and other financial assets	12,14	28,136	27,121
Other non-current assets	7	1,975	2,128
<b>Total non-current assets</b>		<b>426,737</b>	<b>444,778</b>
<b>Current assets</b>			
Inventories	6	7,579	7,318
Trade and other receivables		23,709	20,860
Other current assets	7	11,228	12,067
Current income tax assets		42	1,135
Loans and other financial assets	12,14	31,418	33,720
Cash and cash equivalents	13	19,962	12,302
Assets classified as held for sale	11	16,315	–
<b>Total current assets</b>		<b>110,253</b>	<b>87,402</b>
<b>Total assets</b>		<b>536,990</b>	<b>532,180</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to equity owners of the Company	10	148,947	119,082
Non-controlling interests	10	8,743	38,235
<b>Total equity</b>		<b>157,690</b>	<b>157,317</b>
<b>Non-current liabilities</b>			
Trade and other payables		1,424	2,059
Debt and other financial liabilities	12,14	249,052	223,008
Provisions		3,080	3,685
Deferred income tax liabilities		5,234	4,549
Other non-current liabilities	7	671	486
<b>Total non-current liabilities</b>		<b>259,461</b>	<b>233,787</b>
<b>Current liabilities</b>			
Trade and other payables	10,14	68,845	86,100
Debt and other financial liabilities	12,14	30,653	38,341
Provisions		1,174	2,042
Current income tax payables		1,538	835
Other current liabilities	7	17,629	13,758
<b>Total current liabilities</b>		<b>119,839</b>	<b>141,076</b>
<b>Total equity and liabilities</b>		<b>536,990</b>	<b>532,180</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Public Joint Stock Company “Vimpel-Communications”

Interim consolidated statement of changes in equity  
for the nine months ended 30 September 2021

(All amounts in millions of Rubles)

	Note	Attributable to the owners of the Company					Total	Non-controlling interests	Total equity
		Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve			
<b>As of 31 December 2020</b>		<b>3</b>	<b>40,234</b>	<b>31,985</b>	<b>112,568</b>	<b>(65,708)</b>	<b>119,082</b>	<b>38,235</b>	<b>157,317</b>
Profit for the period		–	–	–	12,919	–	<b>12,919</b>	2,739	<b>15,658</b>
Other comprehensive loss		–	–	–	–	(982)	<b>(982)</b>	(260)	<b>(1,242)</b>
<b>Total comprehensive income / (loss)</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>12,919</b>	<b>(982)</b>	<b>11,937</b>	<b>2,479</b>	<b>14,416</b>
Dividends declared	12	–	–	–	–	–	–	(1,958)	<b>(1,958)</b>
Purchase of non-controlling interests without a change of control		–	–	15	–	–	<b>15</b>	(15)	–
Transactions under common control (purchase of non-controlling interests without a change of control)	10	–	–	31,027	–	–	<b>31,027</b>	(31,027)	–
Transactions under common control (acquisition of LLC “Sovintel Group”)	10	–	–	(1,198)	–	–	<b>(1,198)</b>	1,029	<b>(169)</b>
Transactions under common control (disposal of Uzbekistan operations)	10	–	–	(63,492)	–	51,576	<b>(11,916)</b>	–	<b>(11,916)</b>
<b>As of 30 September 2021 (unaudited)</b>		<b>3</b>	<b>40,234</b>	<b>(1,663)</b>	<b>125,487</b>	<b>(15,114)</b>	<b>148,947</b>	<b>8,743</b>	<b>157,690</b>

Interim consolidated statement of changes in equity  
for the nine months ended 30 September 2020

(All amounts in millions of Rubles)

	Note	Attributable to the owners of the Company					Total	Non-controlling interests	Total equity
		Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve			
<b>As of 31 December 2019</b>		<b>3</b>	<b>40,234</b>	<b>37,458</b>	<b>122,594</b>	<b>(61,959)</b>	<b>138,330</b>	<b>(266)</b>	<b>138,064</b>
Loss for the period		–	–	–	(2,486)	–	<b>(2,486)</b>	(3,538)	<b>(6,024)</b>
Other comprehensive income / (loss)		–	–	–	–	6,906	<b>6,906</b>	1,188	<b>8,094</b>
<b>Total comprehensive income / (loss)</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,486)</b>	<b>6,906</b>	<b>4,420</b>	<b>(2,350)</b>	<b>2,070</b>
Dividends declared		–	–	–	(20,000)	–	<b>(20,000)</b>	(170)	<b>(20,170)</b>
Transactions under common control (sale of Georgian operations)		–	–	14,775	–	(878)	<b>13,897</b>	13,351	<b>27,248</b>
<b>As of 30 September 2020 (unaudited)</b>		<b>3</b>	<b>40,234</b>	<b>52,233</b>	<b>100,108</b>	<b>(55,931)</b>	<b>136,647</b>	<b>10,565</b>	<b>147,212</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Public Joint Stock Company “Vimpel-Communications”

Interim consolidated statement of cash flows  
for the nine months ended 30 September 2021

(All amounts in millions of Rubles)

	Note	Nine months ended 30 September	
		2021	2020 <sup>1</sup>
<b>Operating activities</b>			
Profit / (loss) for the period from continuing operations		12,028	(6,783)
Income tax expense	5	4,430	2,714
<b>Profit / (loss) before income tax from continuing operations</b>		<b>16,458</b>	<b>(4,069)</b>
<b>Non-cash adjustments to reconcile profit before tax to net cash flows from operating activities:</b>			
Depreciation	8	55,142	52,410
Impairment loss		58	10,411
Amortization	9	7,653	8,723
Loss on disposal of non-current assets		574	651
Finance income		(1,465)	(2,059)
Finance costs		15,857	18,520
Other non-operating gain, net	4	(439)	(1,857)
Foreign exchange (gain) / loss, net		(643)	8,719
Changes in provisions and other movements		407	197
Decrease / (increase) in trade and other receivables		(6,761)	1,504
Decrease / (increase) in inventories		(468)	3,276
(Decrease) / increase in trade and other payables		2,053	2,366
Interest paid		(15,441)	(17,530)
Interest received		759	1,955
Income tax paid		(2,186)	(5,697)
<b>Net cash flows from operating activities of continuing operations</b>		<b>71,558</b>	<b>77,520</b>
<b>Net cash flows from operating activities of discontinued operations</b>	10	<b>3,995</b>	<b>4,551</b>
<b>Net cash flows from operating activities</b>		<b>75,553</b>	<b>82,071</b>
<b>Investing activities</b>			
Purchase of property, equipment and intangible assets		(60,039)	(55,715)
Proceeds from sale of property, equipment and intangible assets		183	344
Loans issued	14	(12,024)	(47,950)
Repayment of loans issued	14	11,997	75,608
Inflows from investments in other financial assets		29	1,333
Outflows from investments in other financial assets		(3)	–
Inflows from deposits		33	82
Outflows from deposits		(3)	(433)
Acquisition of subsidiaries net of cash acquired	10	247	(1,421)
Disposal of subsidiaries net of cash received		–	(180)
<b>Net cash flows used in investing activities of continuing operations</b>		<b>(59,580)</b>	<b>(28,332)</b>
<b>Net cash flows used in investing activities of discontinued operations (including cash disposed)</b>	10	<b>(5,149)</b>	<b>(2,144)</b>
<b>Net cash flows used in investing activities</b>		<b>(64,729)</b>	<b>(30,476)</b>
<b>Financing activities</b>			
Proceeds from borrowings	14	29,404	65,000
Repayment of borrowings	12,14	(20,642)	(95,383)
Repayment of lease liabilities		(11,540)	(11,076)
Dividends paid to equity holders		–	(20,000)
Dividends paid to non-controlling interests		–	(170)
<b>Net cash flows used in financing activities of continuing operations</b>		<b>(2,778)</b>	<b>(61,629)</b>
<b>Net cash flows used in financing activities of discontinued operations</b>	10	<b>(228)</b>	<b>(187)</b>
<b>Net cash flows used in financing activities</b>		<b>(3,006)</b>	<b>(61,816)</b>
<b>Net change in cash and cash equivalents</b>		<b>7,818</b>	<b>(10,221)</b>
Effect of exchange rate changes on cash and cash equivalents of continuing operations, net		(52)	3,307
Effect of exchange rate changes on cash and cash equivalents of discontinued operations, net	10	(106)	1,065
<b>Cash and cash equivalents at the beginning of the period</b>		<b>12,302</b>	<b>31,498</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>19,962</b>	<b>25,649</b>

<sup>1</sup> Prior year comparatives are re-presented following the classification of Uzbekistan as discontinued operations (Note 10).

The accompanying notes are an integral part of these interim condensed consolidated financial statements.



# Public Joint Stock Company “Vimpel-Communications”

Notes to the unaudited interim condensed consolidated financial statements  
as of 30 September 2021 and for the three and nine months ended 30 September 2021

*(All amounts in millions of Rubles unless otherwise stated)*

## 1. General information

Public Joint Stock Company “Vimpel-Communications” (PJSC “VimpelCom”, together with its consolidated subsidiaries referred to as the “Group”, “VimpelCom”, the “Company” or “we”) was registered in the Russian Federation (“Russia”) on 15 September 1992 as a joint stock company of the closed type, re-registered as a joint stock company of the open type on 28 July 1993 and began full-scale commercial operations in June 1994. The Company was re-registered as an Open Joint Stock Company on 28 March 1995. The Company was re-registered as a Public Joint Stock Company on 19 June 2015.

The registered office of PJSC “VimpelCom” is located at 10 bld. 14 8<sup>th</sup> Marta, Moscow, Russian Federation, 127083.

The interim condensed consolidated financial statements are presented in Russian Rubles (“RUB”). In these notes, Russian Ruble amounts are presented in millions unless otherwise indicated.

VimpelCom generates revenue from the provision of voice, data and other telecommunication services through a range of mobile and fixed-line technologies, as well as selling equipment and accessories. As of 30 September 2021, the Company operated telecommunications services in Russia, Kazakhstan and Kyrgyzstan primarily under the “Beeline” brand name. In September 2021, VimpelCom completed the reorganization of PJSC “VimpelCom” which resulted in the disposal of operations in Uzbekistan. The Company classified its operations in Uzbekistan as discontinued operations, the results for Uzbekistan in the consolidated income statements and the consolidated statements of cash flows for 2021 and 2020 have been presented separately (Note 10).

Changes of exchange rates in the countries in which VimpelCom operates as well as changes in the structure of the Group that occurred in 2020 resulted in changes in the foreign exchange gain / (loss), net recognized in the consolidated income statement for the three and nine months ended 30 September 2021 and 30 September 2020 and changes in the foreign currency translation reserves recognized in the consolidated statement of comprehensive income and statement of changes in equity for the three and nine months ended 30 September 2021 and 30 September 2020.

Our working capital is monitored on a regular basis by our management. Although we have a negative working capital our management expects to repay our debt as it becomes due from our operating cash flows and/or through external financing.

The interim condensed consolidated financial statements of the Company as of 30 September 2021 and for the three and nine months ended 30 September 2021 were authorized for issue by the General Director of PJSC “VimpelCom” on 15 November 2021.

## Operating activities of the Group

### 2. Segment information

Management analyzes the Company’s operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

Management evaluates the performance of the Company’s segments on a regular basis, primarily based on earnings before interest (both finance income and finance costs), income tax, depreciation, amortization, impairment loss, gain / (loss) on disposals of non-current assets, net foreign exchange gain / (loss), other non-operating gain / (loss) (“EBITDA”) along with assessing the capital expenditures excluding certain costs such as those for right-of-use assets (“Capital expenditures”). Management does not analyze assets or liabilities by reportable segments.

## Public Joint Stock Company “Vimpel-Communications”

Notes to the unaudited interim condensed consolidated financial statements  
as of 30 September 2021 and for the three and nine months ended 30 September 2021

(All amounts in millions of Rubles unless otherwise stated)

### 2. Segment information (continued)

The Company’s reportable segments include “Russia” and “Kazakhstan”. On 21 September 2021, “Uzbekistan” was classified as discontinued operations (Note 10). The “Other operating companies” column in the tables below includes our operations in Kyrgyzstan (2020: Kyrgyzstan, Armenia and Georgia). The “Eliminations and other” column in the tables below includes inter-company eliminations, holding companies and other unallocated adjustments. Inter-segment transactions between operating segments are made on terms which are comparable to transactions with third parties.

Financial information by reportable segment for the three and nine months ended 30 September 2021 and 30 September 2020 is presented in the following tables.

#### Information by reportable segments for the three months ended 30 September 2021

	Russia	Kazakhstan	Other operating companies	Eliminations and other	Group (continuing operations)	Uzbekistan (discontinued operations)	Total
<b>Revenue</b>							
Service revenue	64,525	10,010	829	24	75,388	3,725	79,113
including:							
- Mobile	54,384	9,240	812	–	64,436	3,727	68,163
- Fixed	10,141	770	17	24	10,952	(2)	10,950
Sale of equipment and accessories	10,240	366	–	–	10,606	–	10,606
Other revenue	227	46	7	20	300	1	301
<b>Total operating revenue</b>	<b>74,992</b>	<b>10,422</b>	<b>836</b>	<b>44</b>	<b>86,294</b>	<b>3,726</b>	<b>90,020</b>
- External customers	74,973	10,421	822	78	86,294	3,726	90,020
- Inter-segment	19	1	14	(34)	–	–	–
<b>EBITDA</b>	<b>27,412</b>	<b>5,602</b>	<b>321</b>	<b>(300)</b>	<b>33,035</b>	<b>1,938</b>	<b>34,973</b>
<b>Capital expenditures*</b>	<b>17,322</b>	<b>490</b>	<b>193</b>	<b>–</b>	<b>18,005</b>	<b>506</b>	<b>18,511</b>
<b>Reversal of impairment loss / impairment (loss)</b>	<b>400</b>	<b>(141)</b>	<b>(206)</b>	<b>–</b>	<b>53</b>	<b>–</b>	<b>53</b>

\* Excluding right-of-use assets (IFRS 16 “Leases”).

#### Information by reportable segments for the nine months ended 30 September 2021

	Russia	Kazakhstan	Other operating companies	Eliminations and other	Group (continuing operations)	Uzbekistan (discontinued operations)	Total
<b>Revenue</b>							
Service revenue	187,405	27,888	2,356	–	217,649	10,514	228,163
including:							
- Mobile	157,534	25,612	2,304	(8)	185,442	10,516	195,958
- Fixed	29,871	2,276	52	8	32,207	(2)	32,205
Sale of equipment and accessories	24,577	846	–	–	25,423	–	25,423
Other revenue	851	120	21	17	1,009	4	1,013
<b>Total operating revenue</b>	<b>212,833</b>	<b>28,854</b>	<b>2,377</b>	<b>17</b>	<b>244,081</b>	<b>10,518</b>	<b>254,599</b>
- External customers	212,782	28,846	2,334	119	244,081	10,518	254,599
- Inter-segment	51	8	43	(102)	–	–	–
<b>EBITDA</b>	<b>78,333</b>	<b>14,440</b>	<b>1,426</b>	<b>(1,002)</b>	<b>93,197</b>	<b>6,340</b>	<b>99,537</b>
<b>Capital expenditures*</b>	<b>54,456</b>	<b>3,682</b>	<b>498</b>	<b>–</b>	<b>58,636</b>	<b>1,517</b>	<b>60,153</b>
<b>Reversal of impairment loss / impairment (loss)</b>	<b>490</b>	<b>(135)</b>	<b>(413)</b>	<b>–</b>	<b>(58)</b>	<b>–</b>	<b>(58)</b>

\* Excluding right-of-use assets (IFRS 16 “Leases”).

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2. Segment information (continued)

Information by reportable segments for the three months ended 30 September 2020

	Russia	Kazakhstan	Other operating companies	Eliminations and other	Group (continuing operations)	Uzbekistan (discontinued operations)	Total
<b>Revenue</b>							
Service revenue	61,997	8,230	1,932	(68)	<b>72,091</b>	3,505	<b>75,596</b>
including:							
- Mobile	52,445	7,570	1,460	16	<b>61,491</b>	3,485	<b>64,976</b>
- Fixed	9,552	660	472	(84)	<b>10,600</b>	20	<b>10,620</b>
Sale of equipment and accessories	7,428	111	118	(1)	<b>7,656</b>	2	<b>7,658</b>
Other revenue	278	72	9	(6)	<b>353</b>	2	<b>355</b>
<b>Total operating revenue</b>	<b>69,703</b>	<b>8,413</b>	<b>2,059</b>	<b>(75)</b>	<b>80,100</b>	<b>3,509</b>	<b>83,609</b>
- External customers	69,648	8,411	2,015	26	<b>80,100</b>	3,509	<b>83,609</b>
- Inter-segment	55	2	44	(101)	-	-	-
<b>EBITDA</b>	<b>26,752</b>	<b>4,069</b>	<b>229</b>	<b>1,074</b>	<b>32,124</b>	<b>417</b>	<b>32,541</b>
<b>Capital expenditures*</b>	<b>16,345</b>	<b>1,278</b>	<b>281</b>	-	<b>17,904</b>	<b>1,135</b>	<b>19,039</b>
<b>Impairment loss</b>	<b>(5,461)</b>	<b>(70)</b>	<b>(4,948)</b>	-	<b>(10,479)</b>	-	<b>(10,479)</b>

\* Excluding right-of-use assets (IFRS 16 “Leases”).

Information by reportable segments for the nine months ended 30 September 2020

	Russia	Kazakhstan	Other operating companies	Eliminations and other	Group (continuing operations)	Uzbekistan (discontinued operations)	Total
<b>Revenue</b>							
Service revenue	184,272	22,949	6,186	(238)	<b>213,169</b>	10,518	<b>223,687</b>
including:							
- Mobile	156,388	21,112	4,788	(52)	<b>182,236</b>	10,518	<b>192,754</b>
- Fixed	27,884	1,837	1,398	(186)	<b>30,933</b>	-	<b>30,933</b>
Sale of equipment and accessories	17,798	228	253	(1)	<b>18,278</b>	5	<b>18,283</b>
Other revenue	849	142	33	(13)	<b>1,011</b>	17	<b>1,028</b>
<b>Total operating revenue</b>	<b>202,919</b>	<b>23,319</b>	<b>6,472</b>	<b>(252)</b>	<b>232,458</b>	<b>10,540</b>	<b>242,998</b>
- External customers	202,744	23,312	6,323	79	<b>232,458</b>	10,540	<b>242,998</b>
- Inter-segment	175	7	149	(331)	-	-	-
<b>EBITDA</b>	<b>78,877</b>	<b>11,459</b>	<b>1,680</b>	<b>(558)</b>	<b>91,458</b>	<b>3,491</b>	<b>94,949</b>
<b>Capital expenditures*</b>	<b>46,353</b>	<b>5,885</b>	<b>1,828</b>	<b>(17)</b>	<b>54,049</b>	<b>3,055</b>	<b>57,104</b>
<b>Impairment loss</b>	<b>(5,380)</b>	<b>(74)</b>	<b>(4,957)</b>	-	<b>(10,411)</b>	-	<b>(10,411)</b>

\* Excluding right-of-use assets (IFRS 16 “Leases”).

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### 2. Segment information (continued)

The following table provides the reconciliation of consolidated EBITDA to consolidated profit / (loss) for the three and nine months ended 30 September 2021 and 30 September 2020 from continuing operations:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
<b>EBITDA</b>	<b>33,035</b>	32,124	<b>93,197</b>	91,458
Depreciation	(18,569)	(17,530)	(55,142)	(52,410)
Amortization	(2,549)	(2,948)	(7,653)	(8,723)
Reversal of impairment loss / impairment (loss)	53	(10,479)	(58)	(10,411)
Loss on disposal of non-current assets	(87)	(171)	(574)	(651)
Finance costs	(5,273)	(5,439)	(15,857)	(18,520)
Finance income	553	313	1,465	2,059
Other non-operating gain, net	413	157	439	1,857
Net foreign exchange gain / (loss), net	31	(3,171)	641	(8,728)
Income tax expense	(1,481)	(377)	(4,430)	(2,714)
<b>Profit / (loss) for the period from continuing operations</b>	<b>6,126</b>	(7,521)	<b>12,028</b>	(6,783)

### 3. Selling, general and administrative expenses

Selling, general and administrative expenses for the three and nine months ended 30 September 2021 and 30 September 2020 consisted of the following:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Personnel costs	9,341	7,566	26,859	23,574
Network and IT costs	5,585	6,006	16,383	17,528
Customer associated costs	5,237	4,932	14,255	14,531
Services costs and variable part of the other lease payments	1,071	1,051	3,188	3,159
Taxes other than income tax	930	371	2,930	3,528
Consulting and professional service costs	315	641	1,208	1,862
Losses on receivables	343	237	927	1,961
Other general and administrative expenses	903	993	3,038	2,773
<b>Total</b>	<b>23,725</b>	21,797	<b>68,788</b>	68,916

### 4. Other non-operating gain, net

Other non-operating gain, net for the three and nine months ended 30 September 2021 and 30 September 2020 consisted of the following:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Derecognition of decommissioning provision	489	–	489	–
Other (loss) / gain, net	(76)	(24)	(50)	–
Changes in the fair value of non-hedge derivatives*	–	181	–	1,857
<b>Total other non-operating gain, net</b>	<b>413</b>	157	<b>439</b>	1,857

\* Changes in the fair value of non-hedge derivatives related to derivative transactions entered into by the Company to protect its USD cash outflows from adverse changes in the USD/RUB exchange rate.

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#### 5. Income taxes

Income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Income tax expense is the total of the current and deferred income taxes. Current income tax is the expected income tax expense, payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Deferred income tax is the tax asset or liability resulting from a difference in income recognition between enacted or substantively enacted local tax law and group IFRS accounting.

Income tax expense consisted of the following for the three and nine months ended 30 September 2021 and 30 September 2020:

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
<b>Profit / (loss) before income tax from continuing operations</b>	<b>7,607</b>	<b>(7,144)</b>	<b>16,458</b>	<b>(4,069)</b>
Current income tax	(1,729)	(274)	(4,139)	(3,823)
Deferred income tax	248	(103)	(291)	1,109
<b>Income tax expense from continuing operations reported in the interim consolidated income statement</b>	<b>(1,481)</b>	<b>(377)</b>	<b>(4,430)</b>	<b>(2,714)</b>
<b>Effective tax rates</b>	<b>19%</b>	<b>(5%)</b>	<b>27%</b>	<b>(67%)</b>

The difference between the statutory tax rate of 20% in Russia and the effective corporate income tax rate of 19% for the Group in the three-month period ending 30 September 2021 was primarily driven by non-deductible tax expenses net off by effect of lower income tax rate in Kyrgyzstan.

The difference between the statutory tax rate of 20% in Russia and the effective corporate income tax rate of 27% for the Group in the nine-month period ending 30 September 2021 was primarily driven by tax contingencies in the amount of RUB 920 accrued in Russia and non-deductible tax expenses net off by effect of lower income tax rate in Kyrgyzstan.

The difference between the statutory tax rate of 20% in Russia and the effective corporate income tax rate of (5%) for the Group in the three-month period ending 30 September 2020 was primarily driven by the recognition of non-deductible impairment losses in respect of our operating activities in Russia and Kyrgyzstan and other non-deductible expenses incurred by the Group in various countries, which are recorded in our consolidated income statement.

The difference between the statutory tax rate of 20% in Russia and the effective corporate income tax rate of (67%) for the Group in the nine-month period ending 30 September 2020 was primarily driven by the recognition of non-deductible impairment losses in respect of our operating activities in Russia and Kyrgyzstan, loss in Georgia amounting to RUB 3,437 affecting profit before tax (no deferred tax was recognized on the loss due to no recoverability) and other non-deductible expenses incurred by the Group in various countries, which are recorded in our consolidated income statement.

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**6. Inventories**

Inventories consisted of the following items as of 30 September 2021 and 31 December 2020:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Telephone handsets and accessories for sale	7,948	7,683
SIM-cards	421	373
Other inventories	206	173
Obsolescence allowance	(996)	(911)
<b>Total</b>	<b>7,579</b>	<b>7,318</b>

**7. Other assets and liabilities**

Other assets consisted of the following items as of 30 September 2021 and 31 December 2020:

	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Other non-current assets</b>		
Customer acquisition costs	1,759	2,086
Deferred costs related to connection fees	58	13
Other non-current assets	158	29
<b>Total other non-current assets</b>	<b>1,975</b>	<b>2,128</b>
<b>Other current assets</b>		
Input value added tax	6,995	7,351
Advances to suppliers	3,205	3,612
Prepaid taxes	23	871
Deferred costs related to connection fees	579	101
Other current assets	426	132
<b>Total other current assets</b>	<b>11,228</b>	<b>12,067</b>

Other liabilities consisted of the following items as of 30 September 2021 and 31 December 2020:

	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Other non-current liabilities</b>		
Long-term deferred revenue	138	171
Other non-current liabilities	533	315
<b>Total other non-current liabilities</b>	<b>671</b>	<b>486</b>
<b>Other current liabilities</b>		
Taxes payable (non-income tax)	7,921	4,244
Amounts due to employees	5,070	4,204
Short-term deferred revenue	2,226	2,444
Customer advances	2,119	2,866
Other liabilities	293	–
<b>Total other current liabilities</b>	<b>17,629</b>	<b>13,758</b>

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#### Investing activities of the Group

#### 8. Property and equipment

During the nine months ended 30 September 2021 and 30 September 2020, the Company had the following changes in property and equipment:

	Note	Nine months ended 30 September	
		2021	2020
<b>Net book value as of 1 January</b>		<b>298,938</b>	278,147
Additions <sup>1</sup>		75,161	56,191
Net book value of assets disposed		(6,503) <sup>2</sup>	(1,419)
Acquisition of subsidiaries		–	496
Business combinations under common control	10	2,714	–
Disposal of subsidiaries under common control	10	(13,091)	(2,013)
Depreciation charge		(56,792)	(54,139)
Impairment		(85)	(2,904)
Translation adjustment		(1,116)	5,227
Assets classified as assets held for sale	11	(743)	–
Reclassification from assets held for sale		–	11
Other changes		(306)	(145)
<b>Net book value as of 30 September</b>		<b>298,177</b>	279,452

<sup>1</sup> Including additions of right-of-use assets in the amount of RUB 21,010 (2020: RUB 7,754) of which RUB 4,124 (2020: RUB nil) relates to lease term reassessment and RUB 3,355 (2020: RUB 1,679) relates to modifications (Note 17); additions of telecommunication equipment in the amount of RUB 45,218 (2020: RUB 31,374); additions of office and other equipment in the amount of RUB 9,107 (2020: RUB 4,398); additions of equipment not installed and assets under construction in the amount of RUB (903) (2020: RUB 12,425); additions of land, buildings and constructions in the amount of RUB 729 (2020: RUB 240);

<sup>2</sup> Including net book value of assets sold to VEON Ltd. and its subsidiaries in the amount of RUB 5,213.

#### 9. Intangible assets

During the nine months ended 30 September 2021 and 30 September 2020, the Company had the following changes in intangible assets:

	Nine months ended 30 September 2021			Nine months ended 30 September 2020		
	Other intangible assets	Goodwill	Total intangible assets	Other intangible assets	Goodwill	Total intangible assets
<b>Net book value as of 1 January</b>	<b>26,565</b>	<b>89,209</b>	<b>115,774</b>	26,815	93,216	120,031
Additions	6,002	–	6,002	8,667	–	8,667
Acquisition of subsidiaries	–	30	30	588	1,001	1,589
Business combinations under common control (Note 10)	498	–	498	–	–	–
Disposal of subsidiaries under common control (Note 10)	(271)	(1,251)	(1,522)	(373)	–	(373)
Amortization charge	(7,783)	–	(7,783)	(8,934)	–	(8,934)
Impairment	(49)	–	(49)	(579)	(5,436)	(6,015)
Translation adjustment	(140)	(160)	(300)	993	797	1,790
Assets classified as assets held for sale (Note 11)	–	(15,595)	(15,595)	–	–	–
Other changes	45	–	45	205	–	205
<b>Net book value as of 30 September</b>	<b>24,867</b>	<b>72,233</b>	<b>97,100</b>	27,382	89,578	116,960

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### 9. Intangible assets (continued)

#### Goodwill

Included within total intangible asset movements for the nine months ended 30 September 2021, as shown above, are the following movements in goodwill for the Group, per cash generating unit (“CGU”):

	Note	Russia	Kazakhstan	Uzbekistan	Total
<b>31 December 2020</b>		<b>83,551</b>	<b>4,361</b>	<b>1,297</b>	<b>89,209</b>
Acquisition of subsidiaries		30	–	–	30
Transactions under common control (disposal of subsidiaries)	10	–	–	(1,251)	(1,251)
Assets classified as assets held for sale	11	(15,595)	–	–	(15,595)
Currency translation adjustment		–	(114)	(46)	(160)
<b>30 September 2021</b>		<b>67,986</b>	<b>4,247</b>	<b>–</b>	<b>72,233</b>

#### Impairment analysis

Goodwill is tested for impairment annually or when circumstances indicate the carrying value may be impaired. When reviewing for indicators of impairment in interim periods, the Company considers, among others, the relationship between market capitalization of VEON Ltd. and its book value, as well as weighted average cost of capital and the quarterly financial performances of each cash-generating unit (“CGU”).

The Company performed its annual impairment testing as of 30 September 2021. There was no goodwill impairment recorded for the nine months ended 30 September 2021.

The information about the calculations and assumptions used for impairment testing does not significantly differ from the information presented in the Group’s audited annual consolidated financial statements as of and for the year ended 31 December 2020.

### 10. Transactions under common control

#### Golden Telecom, Inc.

On 15 February 2021, PJSC “VimpelCom” completed the acquisition from VEON Holdings B.V. 79.8% shares in Golden Telecom, Inc. (14.078% of voting rights) for a consideration of USD 1 (the equivalent of RUB nil). After the transfer of ownership to PJSC “VimpelCom” for the indicated shares, PJSC “VimpelCom” became the only shareholder in Golden Telecom Inc. (100% shares and 100% of voting rights). This transaction represents a purchase of non-controlling interests without a change of control. Consequently, the difference between the carrying value of non-controlling interests (the relevant share acquired of the carrying value of net assets of the subsidiary) as of 15 February 2021 (positive value of RUB 31,027) and the cost of acquisition (USD 1 (the equivalent of RUB nil)) recorded directly within “Other capital reserves” in the consolidated statement of changes in equity (gain of RUB 31,027).

On 10 March 2021, Golden Telecom Inc. (a subsidiary of the PJSC “VimpelCom”) was liquidated. The assets of the above entity comprising the investments in its own subsidiaries were distributed to the shareholder (PJSC “VimpelCom”). The distribution of the remaining assets will be deferred and might take significant time.



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### 10. Transactions under common control (continued)

#### Business combination under common control

On 31 March 2021, PJSC “VimpelCom” entered into a sale and purchase agreement for the acquisition of a 100% stake in LLC “Sovintel Group” (the “Agreement”) which, in turn, owned 54% shares in JSC “Raskom” (an operating company in Russia), 100% stake in LLC “Kubtelecom” (an operating company in Russia), 68.4% stake in JSC “Cubintersvyaz” (an operating company in Russia) and 99.2% stake in LLC “Sakhalin Telecom” (an operating company in Russia). Under the Agreement, on 31 March 2020, Bardym Enterprises Ltd. (related party of the Group) transferred the 100% stake in LLC “Sovintel Group” to PJSC “VimpelCom” in exchange for a purchase consideration of USD 235 million (the equivalent of RUB 17,790 as of 31 March 2021 and RUB 18,277 as of 8 April 2021 at the exchange rates provided by the Central Bank of Russia). Ownership of the 100% stake in LLC “Sovintel Group” passed to PJSC “VimpelCom” on 8 April 2021. On 12 May 2021, PJSC “VimpelCom” and Bardym Enterprises Ltd. agreed that the outstanding consideration of USD 235 million under the Agreement shall be deemed to be a loan.

The effect of the acquisition is detailed below:

	<b>Note</b>	<b>Amount</b>
<b>Consideration payable as of 8 April 2021 (USD 235 million)</b>		<b>(18,277)</b>
<b>Recognition of assets:</b>		
- Property and equipment		2,714
- Intangible assets		498
- Trade and other receivables due from other companies		179
- Other assets		589
- Cash and cash equivalents		431
		<b>4,411</b>
<b>Recognition of liabilities:</b>		
- Lease liabilities		(878)
- Trade and other payables due to other companies		(243)
- Other liabilities		(598)
		<b>(1,719)</b>
<b>Settlement of pre-existing relationship:</b>		
- Trade and other receivables due from PJSC “VimpelCom”		1,016
- Loans granted to PJSC “VimpelCom”, principal amount	14	12,764
- Loans granted to PJSC “VimpelCom”, interest receivable		1,753
- Trade and other payables due to PJSC “VimpelCom”		(117)
		<b>15,416</b>
<b>Recognition of non-controlling interests</b>		<b>(1,029)</b>
<b>Effect of the acquisition</b>		<b>(1,198)</b>

For business combination under common control a predecessor accounting method is applied by the Company. The following principles of predecessor accounting are used by the Company: assets and liabilities of the acquired entities are stated at predecessor carrying values, fair value measurement is not required, no new goodwill arises in predecessor accounting, any difference between the consideration given or payable and the net carrying value of the assets and liabilities of the acquired entities at the date of the transaction is included in equity. The acquired entities’ results and balances are incorporated in the Group’s consolidated financial statements prospectively from the date on which the business combination between entities under common control occurred.

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### 10. Transactions under common control (continued)

#### Reorganization of PJSC “VimpelCom”

On 27 May 2021, during the Extraordinary General Meeting of Shareholders of PJSC “VimpelCom”, the decision was taken to reorganize PJSC “VimpelCom” by a spin-off with a new company LLC “VEON UZB”. The reorganization process in the form of a spin-off proceeded and was subject to the requirements of Russian legislation. On 21 September 2021, the reorganization of PJSC “VimpelCom” was completed at the moment of the state registration of LLC “VEON UZB”. The participation interests in the charter capital of the spin-off LLC “VEON UZB” were allocated among the shareholders of PJSC “VimpelCom”. LLC “VEON UZB”, as a result of the spin-off, received 100% shares in Silkway Holding B.V. (former subsidiary of PJSC “VimpelCom”) and 100% shares in Freevale Enterprises Inc. (former subsidiary of PJSC “VimpelCom”). Silkway Holding B.V. and Freevale Enterprises Inc., in turn, jointly own a 100% stake in LLC “Unitel” (an operating company in Uzbekistan and former indirect subsidiary of PJSC “VimpelCom”). This reorganization was related to an internal restructuring process of the VEON Ltd. Group only, so the net assets of the Uzbekistan operations previously held by PJSC “VimpelCom” Group, upon completion of the reorganization are held by the main holding company in the VEON Ltd. Group. On 21 September 2021, the Company classified its operations in Uzbekistan as discontinued operations, and the results for Uzbekistan in the consolidated income statements for the three and nine months ended 30 September 2021 and the consolidated statements of cash flows for the nine months ended 30 September 2021 have been presented separately. The effect of the reorganization is detailed below:

	<b>Amount</b>
<b>Derecognition of assets:</b>	
- Property and equipment	(13,091)
- Intangible assets (excluding goodwill)	(271)
- Goodwill	(1,251)
- Inventories	(52)
- Trade and other receivables	(535)
- Current income tax assets	(67)
- Other assets	(842)
- Cash and cash equivalents	(3,525)
	<b>(19,634)</b>
<b>Derecognition of liabilities:</b>	
- Lease Liabilities	2,069
- Trade and other payables	2,473
- Provisions	920
- Deferred income tax liabilities	266
- Current income tax payables	235
- Other liabilities	1,755
	<b>7,718</b>
<b>Total net assets disposed</b>	<b>(11,916)</b>
Release of cumulative foreign currency translation reserve	(51,576)
<b>Total effect of the reorganization</b>	<b>(63,492)</b>

There was no impairment (including goodwill impairment) identified and recorded in respect of operations in Uzbekistan as 21 September 2021 and for the nine months ended 30 September 2021. The information about the calculations and assumptions used for impairment testing does not significantly differ from the information presented in the Group’s audited annual consolidated financial statements as of and for the year ended 31 December 2020.

For disposal of assets (or disposal group) under common control including reorganizations, VimpelCom measures the net assets of the transaction at the carrying value, the difference between the consideration received or receivable for the transaction (if any) and the corresponding carrying value of the net assets disposed at the date of the transaction is included in equity.

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10. Transactions under common control (continued)

Reorganization of PJSC “VimpelCom” (continued)

The financial performance information of Uzbekistan operations (after excluding intra-group transactions) presented below are for the specified periods of 2021 ended 21 September 2021 (columns “2021”) and for the three and nine months ended 30 September 2020 (columns “2020”).

Discontinued operations	Note	Three months ended 30 September		Nine months ended 30 September	
		2021	2020	2021	2020
Service revenue		3,725	3,505	10,514	10,518
Sale of equipment and accessories		–	2	–	5
Other revenue		1	2	4	17
<b>Total operating revenue</b>		<b>3,726</b>	<b>3,509</b>	<b>10,518</b>	<b>10,540</b>
Other operating income	14	–	1	1,413	3
Service costs		(324)	(491)	(982)	(1,415)
Cost of equipment and accessories		–	(1)	–	(1)
Selling, general and administrative expenses (including impairment loss on financial assets)		(1,463)	(2,601)	(4,609)	(5,636)
Depreciation		(571)	(623)	(1,650)	(1,729)
Amortization		(43)	(57)	(130)	(211)
Loss on disposal of non-current assets		(79)	(40)	(220)	(70)
<b>Operating profit / (loss)</b>		<b>1,246</b>	<b>(303)</b>	<b>4,340</b>	<b>1,481</b>
Finance costs		(57)	(47)	(173)	(131)
Finance income		38	17	75	238
Foreign exchange loss, net		(7)	(13)	(3)	(99)
Other non-operating (loss) / gain, net		(4)	(9)	275	(34)
<b>Profit / (loss) before income tax from discontinued operations</b>		<b>1,216</b>	<b>(355)</b>	<b>4,514</b>	<b>1,455</b>
Income tax expense		(343)	(211)	(884)	(696)
<b>Profit / (loss) after tax for the period from discontinued operations (attributable to the owners of the Company)</b>		<b>873</b>	<b>(566)</b>	<b>3,630</b>	<b>759</b>

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10. Transactions under common control (continued)

Reorganization of PJSC “VimpelCom” (continued)

The cash flows of Uzbekistan operations presented below are for the specified periods of 2021 ended 21 September 2021 (column “2021”) and for the nine months ended 30 September 2020 (column “2020”).

Discontinued operations	Nine months ended 30 September	
	2021	2020
<b>Operating activities</b>		
<b>Net cash flows from operating activities</b>	<b>3,995</b>	<b>4,551</b>
Net cash flows used in operating activities related to intra-group transactions	(11)	(51)
<b>Net cash flows from operating activities including intra-group transactions</b>	<b>3,984</b>	<b>4,500</b>
<b>Investing activities</b>		
Purchase of property, equipment and intangible assets	(1,637)	(2,116)
Proceeds from sale of property, equipment and intangible assets	7	–
Inflows from deposits	6	2,204
Outflows from deposits	–	(2,232)
<b>Net cash flows used in investing activities</b>	<b>(1,624)</b>	<b>(2,144)</b>
Purchase of property, equipment and intangible assets within the Group	–	(14)
<b>Net cash flows used in investing activities including intra-group transactions</b>	<b>(1,624)</b>	<b>(2,158)</b>
<b>Financing activities</b>		
Repayment of borrowings	–	(76)
Repayment of lease liabilities	(228)	(111)
<b>Net cash flows used in financing activities</b>	<b>(228)</b>	<b>(187)</b>
Dividends paid to equity holders within the Group	(795)	(8,779)
Capital contribution from equity holders within the Group	–	738
<b>Net cash flows used in financing activities including intra-group transactions</b>	<b>(1,023)</b>	<b>(8,228)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,337</b>	<b>(5,886)</b>
Effect of exchange rate changes on cash and cash equivalents, net	(106)	1,065
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,294</b>	<b>8,152</b>
<b>Cash and cash equivalents at the end of the period (derecognized on 21 September 2021)</b>	<b>3,525</b>	<b>3,331</b>

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### 11. Assets classified as held for sale

#### **The Agreement between VEON Group and Service Telecom regarding the Sale of its Russian tower assets**

On 5 September 2021, VEON Ltd., the ultimate parent of the Group, and VEON Holdings B.V., a subsidiary of VEON Ltd., signed an agreement for the sale of its direct subsidiary, Joint Stock Company “National Tower Company” (hereinafter – “NTC”), with Service Telecom Group of Companies LLC for approximately USD 970 million. The transaction is subject to regulatory approvals and satisfaction of other customary closing conditions which are expected to be completed by the end of 2021. Under the terms of the deal, PJSC “VimpelCom” enters into a long-term lease agreement with NTC under which PJSC “VimpelCom” will lease space for allocation of its telecommunication equipment on NTC's existing tower portfolio of approximately 15,400 towers and additional 5,000 towers to be built at VimpelCom's requests during the initial lease term of 8 years. The long-term lease agreement was signed on 15 October 2021 and shall come into force at transaction completion.

As a result of this anticipated transaction and assessment that control of NTC will be transferred, on 5 September 2021, the Company classified relevant towers assets which will be transferred to NTC subsequently as a disposal group held-for-sale, including relevant goodwill of CGU “Russia” based on its relative fair values at 30 September 2021. Following the classification as disposal group held-for-sale, the Company no longer accounts for depreciation and amortization expenses of towers assets.

The following table shows the assets classified as held-for-sale relating to towers assets as of 30 September 2021:

	<b>30 September 2021</b>
Property and equipment	711
Goodwill	15,595
<b>Total assets classified as held for sale</b>	<b>16,306</b>

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### Financing activities of the Group

#### 12. Financial assets and liabilities

The loans and other financial assets consisted of the following items as of 30 September 2021 and 31 December 2020:

	Note	30 September 2021	31 December 2020
<b>Loans and other financial assets</b>			
<b>At amortized cost</b>			
- Loans granted to related parties, principal amount	14	57,150	57,776
- Loans granted to related parties, interest receivable		858	221
Loans granted to related parties		<u>58,008</u>	<u>57,997</u>
Loans granted to owners of the non-controlling interests		-	1,975
Other receivables due from related parties		888	-
Other financial assets		658	869
<b>Total loans and other financial assets</b>		<u>59,554</u>	<u>60,841</u>
- Non-current		28,136	27,121
- Current		<u>31,418</u>	<u>33,720</u>

The debt and other financial liabilities consisted of the following items as of 30 September 2021 and 31 December 2020:

	Note	30 September 2021	31 December 2020
<b>Debt and other financial liabilities</b>			
<b>At amortized cost</b>			
- Loans payables to related parties, principal amount	14	174,490	142,318
- Loans payables to related parties, interest payable		917	2,275
Loans payables to related parties		<u>175,407</u>	<u>144,593</u>
- Bonds, principal amount		701	20,057
- Bonds, interest payable		14	631
- Unamortised fees on bonds		-	(10)
Bonds		<u>715</u>	<u>20,678</u>
- Bank loans, principal amount		1,709	886
- Bank loans, interest payable		3	5
Bank loans		<u>1,712</u>	<u>891</u>
Lease liabilities		101,832	95,091
Other financial liabilities		39	96
<b>Total debt and other financial liabilities</b>		<u>279,705</u>	<u>261,349</u>
- Non-current		249,052	223,008
- Current		<u>30,653</u>	<u>38,341</u>

There were no significant changes in financial assets and liabilities during the nine-month period ended 30 September 2021 except for the scheduled repayments of debt, changes reflected in the tables above and as described below. Furthermore, there were no changes in risks and risk management policies as disclosed in the Group's annual consolidated financial statements as of and for the year ended 31 December 2020.

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### 12. Financial assets and liabilities (continued)

#### Bonds

The Company had the following principal amounts outstanding for bonds as of 30 September 2021 and 31 December 2020:

Borrower	Type of bonds	Interest			30 September 2021	31 December 2020
		rate	Maturity	Currency		
PJSC “VimpelCom”	Ruble bonds	5.55%	2025	RUB	488	488
PJSC “VimpelCom”	Ruble bonds	6.20%	2022	RUB	213	213
PJSC “VimpelCom”, via “VIP Finance Ireland”	Eurobonds	7.75%	2021	USD	–	19,356
<b>Total bonds, principal amount</b>					<b>701</b>	<b>20,057</b>
- Non-current portion					488	701
- Current portion					213	19,356

On 2 February 2021 PJSC “VimpelCom” fully repaid 7.748% Loan Participation Notes (Eurobonds), issued via “VIP Finance Ireland” in the amount of USD 262 million (the equivalent of RUB 19,782 as of 2 February 2021 at the exchange rate provided by the Central Bank of Russia) and USD 10 million (the equivalent of RUB 755 as of 2 February 2021 at the exchange rate provided by the Central Bank of Russia) of accrued interest.

#### Bank loans

On 13 November 2020, KaR-Tel, LLP entered into a loan agreement with ForteBank, JSC on the provision of credit lines with a total limit of 10,000,000 thousand Kazakh tenge (the equivalent of RUB 1,796 as of 13 November 2020 at the exchange rate provided by the Central Bank of Russia). On 13 November 2020, under this loan agreement, KaR-Tel, LLP entered into an agreement with Bank RBK, JSC on the provision of a guarantee line in the amount of 5,000,000 thousand Kazakh tenge (the equivalent of RUB 898 as of 13 November 2020 at the exchange rate provided by the Central Bank of Russia). On 20 December 2020, KaR-Tel, LLP received financing in the amount of 5,000,000 thousand Kazakh tenge (the equivalent of RUB 873 as of 20 December 2020 at the exchange rate provided by the Central Bank of Russia) for the acquisition of fixed assets and other capital expenditures, the interest rate is 13%, the maturity date of the loan is until 13 November 2023. On 17 March 2021, KaR-Tel, LLP received the second tranche of financing in the amount of 5,000,000 thousand Kazakh tenge (the equivalent of RUB 871 as of 17 March 2021 at the exchange rate provided by the Central Bank of Russia) for the purchase of fixed assets and other capital expenditures, the interest rate is 13%, the maturity date of the loan is until 13 November 2023.

#### Loans granted to related parties and loans received from related parties

Significant changes in financial assets and liabilities during the nine-month period ended 30 September 2021 also related to loans received from related parties and the amount of interest accrued on them, loans granted to related parties and the amount of interest accrued on them as further described in Note 14.

#### Dividends and loans granted to owners of the non-controlling interests

On 30 July 2021, VIP Kazakhstan Holding AG, a subsidiary of the Company, declared dividends. The portion of dividends attributable to owners of the non-controlling interests amounted to USD 26.75 million (the equivalent of RUB 1,958 as of 30 July 2021 at the exchange rate provided by the Central Bank of Russia) and was fully set-off against the loans previously granted to owners of the non-controlling interests.

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### 12. Financial assets and liabilities (continued)

#### Fair values

As of 30 September 2021, the fair values of all financial assets and liabilities are equal to or approximate their respective carrying amounts as shown in the table at the beginning of this note, with the exception of:

- loans payables to related parties, including interest accrued, for which fair value is equal to RUB 173,131 (31 December 2020: RUB 146,075);
- bonds, including interest accrued, for which fair value is equal to RUB 715 (31 December 2020: RUB 20,870);
- bank loans, including interest accrued, for which fair value is equal to RUB 1,890 (31 December 2020: RUB 999);
- lease liabilities, for which fair value has not been determined.

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, other assets and liabilities approximate their respective fair value.

As of 30 September 2021 and 31 December 2020, carrying amounts of financial assets and financial liabilities carried at amortized costs approximates their fair value which is measured based on Level 2 inputs.

Fair values are estimated based on quoted market prices for our bonds, derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile. The fair values for loans to related parties are estimated by discounting contractual cash flows at the applicable rate for the instruments with similar maturity and risk profile. The fair value of derivative financial instruments is determined using the discounted cash flow techniques.

Observable inputs (Level 2) used in the valuation techniques include interbank interest rates, bond yields, swap curves, basis swap spreads, foreign exchange rates and credit default spreads.

On a quarterly basis, the Company reviews if there are any indicators for a possible transfer between fair value hierarchy levels. This depends on how the Company is able to obtain the underlying input parameters when assessing the fair valuations. During the nine months ended 30 September 2021 there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

### 13. Cash and cash equivalents

Cash and cash equivalents consisted of the following items as of 30 September 2021 and 31 December 2020:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Cash and cash equivalents at banks and on hand	<b>17,321</b>	9,259
Short-term deposits with an original maturity of less than three months	<b>2,641</b>	3,043
<b>Total cash and cash equivalents</b>	<b>19,962</b>	12,302

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

As of 30 September 2021 and 31 December 2020, there were no restricted cash and cash equivalent balances.



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### Additional information

#### 14. Related parties

As of 30 September 2021 and 31 December 2020, PJSC “VimpelCom” was a wholly-owned indirect subsidiary of VEON Ltd. As of 30 September 2021 and 31 December 2020, VEON Ltd. was primarily owned by L1T VIP Holdings S.à r.l., a member of the LetterOne group of companies. VEON Ltd. has no ultimate controlling shareholder.

Outstanding balances and transactions with subsidiaries of VEON Ltd. including Kyivstar and Teta Telecom and its subsidiaries, mainly represented telecommunication services.

The following tables provide the total amount of transactions that have been entered into with related parties and balances of accounts with them for the relevant financial periods:

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
<b>Continuing operations</b>				
Revenue from VEON Ltd. and its subsidiaries:				
- Revenue from Teta Telecom and its subsidiaries	387	361	1,169	1,029
- Revenue from Kyivstar	112	58	342	180
- Revenue from VEON Ltd. and its other subsidiaries	157	164	512	463
	<b>656</b>	<b>583</b>	<b>2,023</b>	<b>1,672</b>
Services from VEON Ltd. and its subsidiaries:				
- Services from Teta Telecom and its subsidiaries	(965)	(916)	(2,785)	(2,649)
- Services from Kyivstar	(167)	(129)	(517)	(361)
- Services from VEON Ltd. and its other subsidiaries	(1,457)	(1,499)	(4,480)	(4,495)
Services from other related parties	(3)	–	(3)	–
	<b>(2,592)</b>	<b>(2,544)</b>	<b>(7,785)</b>	<b>(7,505)</b>
Finance income from VEON Ltd. and its subsidiaries	409	172	1,192	1,620
Finance costs from VEON Ltd. and its subsidiaries <sup>1</sup>	(3,427)	(3,469)	(9,854)	(12,448)
Sale value of property and equipment to VEON Ltd. and its subsidiaries (VAT excluded)	5,196	–	5,196	–
Other gain from VEON Ltd. and its subsidiaries, net	1	1	16	2
<b>Discontinued operations (Note 10)</b>				
Other operating income from VEON Ltd. and its subsidiaries <sup>2</sup>	–	–	1,413	–
Services from VEON Ltd. and its subsidiaries	(3)	(5)	(3)	(63)

<sup>1</sup> Change in finance costs from VEON Ltd. and its subsidiaries for the three and nine months ended 30 September 2021 compared to the same period in 2020 was due to changes in the structure of loans received from VEON Ltd. and its subsidiaries, considering differences in loan amounts and interest rates on them in the respective reporting periods.

<sup>2</sup> Increase in other operating income from VEON Ltd. and its other subsidiaries related to discontinued operations for the nine months ended 30 September 2021 compared to the same period in 2020 was related to the reversal of consulting and professional services costs which were reflected in the line “Profit / (loss) after tax for the period from discontinued operations” (Note 10) of the interim consolidated income statement for the three and nine months ended 30 September 2021;

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**14. Related parties (continued)**

	<b>As of 30 September 2021</b>	<b>As of 31 December 2020</b>
Accounts receivable from VEON Ltd. and its subsidiaries:		
- Accounts receivable from Teta Telecom and its subsidiaries	611	597
- Accounts receivable from Kyivstar	65	61
- Accounts receivable from VEON Ltd. and its other subsidiaries	1,362	482
Accounts receivable from other related parties	53	4
	<b>2,091</b>	<b>1,144</b>
Accounts payable to VEON Ltd. and its subsidiaries:		
- Accounts payable to Teta Telecom and its subsidiaries	317	198
- Accounts payable to Kyivstar	64	88
- Accounts payable to VEON Ltd. and its other subsidiaries <sup>1</sup>	5,053	19,367
Accounts payable to other related parties	4	-
	<b>5,438</b>	<b>19,653</b>
Loans granted to VEON Ltd. and its subsidiaries	57,150	57,776
Interest receivable from VEON Ltd. and its subsidiaries	858	221
Loans received from VEON Ltd. and its subsidiaries	174,490	142,318
Interest payable to VEON Ltd. and its subsidiaries	917	2,275

<sup>1</sup> Decrease in accounts payable to VEON Ltd. and its other subsidiaries as of 30 September 2021 compared to accounts payable to VEON Ltd. and its other subsidiaries as of 31 December 2020 was mainly associated with the settlements of accounts payable including the settlements of accounts payable by offsetting with accounts receivable for property and equipment sold and disposal of Uzbekistan operations (Note 10) including reversal of consulting and professional service costs which were reflected in the line “Profit / (loss) after tax for the period from discontinued operations” of the interim consolidated income statement for the three and nine months ended 30 September 2021.

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#### 14. Related parties (continued)

##### Loans granted to VEON Ltd. and its subsidiaries

As of 30 September 2021 and 31 December 2020, the principal amounts of loans granted to VEON Ltd. and its subsidiaries were as follows:

Lender	Borrower	Date of agreement	Maturity	Interest Rate	Currency	30 September 2021	31 December 2020
Golden Telecom Inc. (Note 10)	VEON Holdings B.V.	27 Oct. 2020	Oct. 2024	3.0%	USD	26,194	26,595
PJSC “VimpelCom” <sup>1</sup>	VEON Holdings B.V.	13 Dec. 2017	< 3 months	6.57-6.70%	RUB / USD	13,214	13,964
Golden Telecom Inc. (Note 10)	VEON Holdings B.V.	31 Jan. 2018	On demand	LIBOR+0.70%	USD	10,425	10,579
PJSC “VimpelCom” <sup>2</sup>	VEON Holdings B.V.	2 Aug. 2021	< 3 months	USDR CMPN+ 0.72%	USD	6,170	–
Clafdor Investments Ltd.	VEON Micro Holdings B.V.	4 Jun. 2018	On demand	LIBOR+0.60%	USD	769	781
KaR-Tel, LLP	TNS-Plus	2007-2011	2020–2021	9.46%	KZT	378	388
VIP Kazakhstan Holding AG <sup>3</sup>	VEON Holdings B.V.	21 Dec. 2020	Dec. 2021	3.0%	USD	–	5,407
VEON Eurasia S.à r.l. <sup>4</sup>	VEON Holdings B.V.	31 Mar. 2017	On demand	LIBOR+0.65%	USD	–	62
<b>Total</b>						<b>57,150</b>	<b>57,776</b>

<sup>1</sup> For the nine months ended 30 September 2021, VEON Holdings B.V. repaid the equivalent of RUB 6,500 (as of the date of each transaction at the exchange rate provided by the Central Bank of Russia) and PJSC “VimpelCom” provided VEON Holdings B.V. with the equivalent of RUB 5,750 (as of the date of each transaction at the exchange rate provided by the Central Bank of Russia). In October and November 2021, PJSC “VimpelCom” provided VEON Holdings B.V. with the equivalent of RUB 3,000 (as of the date of each transaction at the exchange rate provided by the Central Bank of Russia);

<sup>2</sup> On 2 August 2021, PJSC “VimpelCom” signed a credit facility agreement with VEON Holdings B.V. for the amount of USD 250 million (the equivalent of RUB 18 285 as of 2 August 2021 at the exchange rate provided by the Central Bank of Russia) for general corporate purposes with a maturity date of every separate tranche less than 3 months from the utilization date. An interest rate for every separate tranche determined by the formula “Bloomberg Screen USDR CMPN + Margin 0.72%” per annum. In August 2021, PJSC “VimpelCom” provided VEON Holdings B.V. with USD 84.8 million (the equivalent of RUB 6,274 million as of the date of each transaction at the exchange rate provided by the Central Bank of Russia). In October and November 2021, VEON Holdings B.V. repaid the equivalent of RUB 1,912 (as of the date of each transaction at the exchange rate provided by the Central Bank of Russia);

<sup>3</sup> On 3 August 2021, VEON Holdings B.V. fully early repaid the principal amount of USD 73.2 million (the equivalent of RUB 5,345 as of 3 August 2021 at the exchange rate provided by the Central Bank of Russia) and interest in the amount of USD 1.4 million (the equivalent of RUB 102 as of 3 August 2021 at the exchange rate provided by the Central Bank of Russia);

<sup>4</sup> On 26 August 2021, VEON Holdings B.V. fully repaid the principal amount and interest in the total amount of USD 0.84 million (the equivalent of RUB 62 as of 26 August 2021 at the exchange rate provided by the Central Bank of Russia).

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#### 14. Related parties (continued)

##### Loans received from VEON Ltd. and its subsidiaries

As of 30 September 2021 and 31 December 2020, the principal amounts of loans received from VEON Ltd. and its subsidiaries were as follows:

Lender	Borrower	Date of agreement	Maturity	Interest rate	Currency	30 September 2021	31 December 2020
VEON Holdings B.V.	PJSC “VimpelCom”	19 Aug. 2020	Aug., 2024	8.75%	RUB	40,100	40,100
VEON Holdings B.V.	PJSC “VimpelCom”	14 Aug. 2020	Aug., 2024	8.75%	RUB	35,000	35,000
VEON Holdings B.V.	PJSC “VimpelCom”	14 Aug. 2020	Aug., 2023	8.50%	RUB	30,000	30,000
VEON Holdings B.V. <sup>1</sup>	PJSC “VimpelCom”	17 Dec. 2020	Dec., 2024	8.75%	RUB	27,037	–
VEON Holdings B.V. <sup>2</sup>	PJSC “VimpelCom”	12 May 2021	May, 2024	3.00%	USD	17,099	–
VEON Holdings B.V. <sup>3</sup>	PJSC “VimpelCom”	11 Oct. 2017	Oct., 2022	125% of the key rate	RUB	15,000	15,000
VEON Holdings B.V. <sup>3</sup>	PJSC “VimpelCom”	9 Aug. 2017	Aug., 2022	125% of the key rate	RUB	9,454	9,454
VEON Holdings B.V. <sup>4</sup>	PJSC “VimpelCom”	9 Aug. 2021	Aug., 2024	8.75%	RUB	800	–
Sovintel Group, LLC <sup>2</sup>	PJSC “VimpelCom”	23 Nov. 2009	Nov., 2022	1.00%	RUB	–	10,454
Kubtelecom, LLC <sup>2</sup>	PJSC “VimpelCom”	2 Aug. 2010	Aug., 2022	7.50%	RUB	–	2,310
<b>Total</b>						<b>174,490</b>	<b>142,318</b>

<sup>1</sup> On 17 December 2020, PJSC “VimpelCom” signed a credit facility agreement with VEON Holdings B.V. for the amount of RUB equivalent of USD 377 million (the equivalent of RUB 27,679 as of 17 December 2020 at the exchange rate provided by the Central Bank of Russia) with a maturity date of 17 December 2024 for general corporate purposes. The interest rate under the credit facility agreement is 8.75%. In January 2021 under facility agreement VEON Holdings B.V. provided PJSC “VimpelCom” with the equivalent of RUB 27,037 (as of the date of each transaction at the exchange rate provided by the Central Bank of Russia);

<sup>2</sup> On 31 March 2021, PJSC “VimpelCom” entered into a sale and purchase agreement for the acquisition of a 100% stake in LLC “Sovintel Group” which, in turn, owned 100% stake in LLC “Kubtelecom” and other subsidiaries. Under the sale and purchase agreement, on 31 March 2020, Bardym Enterprises Ltd. (related party of the Group) transferred the 100% stake in LLC “Sovintel Group” to PJSC “VimpelCom” in exchange for a purchase consideration of USD 235 million (Note 10). On 12 May 2021, PJSC “VimpelCom” and Bardym Enterprises Ltd. entered into facility agreement where it was agreed that the outstanding consideration of USD 235 million under the sale and purchase agreement shall be deemed to be a loan (the “Facility agreement”). On 5 July 2021, Bardym Enterprises Ltd. (the “Existing Lender”) notified PJSC “VimpelCom” (the “Borrower”) that, with effect from 5 July 2021, the Existing Lender has transferred by novation its rights and obligations under the USD 235 million Facility Agreement to VEON Holdings B.V.;

<sup>3</sup> On 19 February 2021, VEON Luxembourg Finance S.A. entered into deed of transfer in accordance with which, starting from 1 January 2021, all rights of claims under these loans were transferred from VEON Luxembourg Finance S.A. to VEON Holdings B.V.;

<sup>4</sup> On 9 August 2021, PJSC “VimpelCom” signed a credit facility agreement with VEON Holdings B.V. for the amount of RUB 2,290 with a maturity date of 9 August 2024 for general corporate purposes. The interest rate under the credit facility agreement is 8.75%. In August 2021, under facility agreement VEON Holdings B.V. provided PJSC “VimpelCom” RUB 800.

##### Terms and conditions of transactions with related parties

Outstanding balances at period-end are unsecured, settlements occur in cash. During the nine months ended 30 September 2021, there have been no new guarantees provided or received for any related party receivables or payables and no changes occurred to the terms and amounts of the Company’s guarantees of the related party loans that existed as of 31 December 2020 and were disclosed in the notes to the respective annual consolidated financial statements. No triggering events under the existing guarantees (Note 15) in favor of related parties occurred. The Company believes that the probability of these events is remote.

As of 30 September 2021 and 31 December 2020, the Group performed the impairment assessment over the loans granted to related parties and receivables owed by related parties held by the Company. As a result, the calculated amount of the expected credit loss allowance over the loans granted to related parties and receivables owed by related parties held by the Company was determined as insignificant from the Company’s perspective and was therefore not recognized as of 30 September 2021 and 31 December 2020.

## Public Joint Stock Company “Vimpel-Communications”

Notes to the unaudited interim condensed consolidated financial statements  
as of 30 September 2021 and for the three and nine months ended 30 September 2021

*(All amounts in millions of Rubles unless otherwise stated)*

### **15. Risks, commitments, contingencies and uncertainties**

Other than disclosed below and elsewhere in these interim condensed consolidated financial statements, there were no material changes to risks, commitments, contingencies and uncertainties that occurred during the nine-month period ended 30 September 2021.

#### **Guarantees in favour of VEON Holdings B.V.**

On 29 June 2011, VEON Holdings B.V., a subsidiary owned by VEON Ltd., completed an offering of an aggregate principal amount of USD 2,200 million notes (the equivalent of RUB 62,117 as of 29 June 2011 at the exchange rate provided by the Central Bank of Russia) split between three-, five- and ten-year tranches, with an annual interest rates range of LIBOR plus 4.0% - 7.50%. The Company guaranteed these notes issues. On 2 April 2015, 19 June 2017, 29 June 2017 and 31 December 2018, VEON Holdings B.V. partially repurchased its notes. As of 30 September 2021 and 31 December 2020, the outstanding principal amount under the notes was USD 417 million (the equivalent of RUB 30,341 as of 30 September 2021 at the exchange rate provided by the Central Bank of Russia) and USD 417 million (the equivalent of RUB 30,806 as of 31 December 2020 at the exchange rate provided by the Central Bank of Russia), respectively. No triggering events under the guarantee occurred. The Company believes that probability of these events is remote.

### **16. Events after the reporting period**

Significant changes in financial assets and liabilities after the reporting period related to loans granted to related parties and loans received from related parties were also described in Note 14.

## Public Joint Stock Company “Vimpel-Communications”

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*(All amounts in millions of Rubles unless otherwise stated)*

### **17. Basis of preparation of the interim condensed consolidated financial statements**

#### **Basis of preparation**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s audited annual consolidated financial statements as of and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of these interim condensed consolidated financial statements has required Company’s management to apply accounting policies and methodologies based on complex and subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgements, estimates and assumptions affects the amounts reported in the interim consolidated statement of financial position, interim consolidated income statement, interim consolidated statements of comprehensive income, interim consolidated statement of changes in equity, interim consolidated statement of cash flows as well as the notes to the interim condensed consolidated financial statements. The final amounts for items for which estimates and assumptions were made in the interim condensed consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

The Company continuously assesses whether a revision of lease terms is required due to a change in management judgment regarding, for example, the exercise of extension and/or termination options (Note 8). VimpelCom’s determination of the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts.

#### **New standards, interpretations and amendments**

The accounting policies adopted in the preparation of the Group’s interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements as of and for the year ended 31 December 2020.

A number of new and amended standards became effective as of 1 January 2021, which did not have a material impact on VimpelCom financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued but have not yet become effective.